

Republicans' Ex-Im Shutdown: Stories from Business Owners in the Northeast

House Republicans' decision to shut down the Export-Import Bank earlier this summer is already harming our economic competitiveness and risking job losses here at home. Take a look at what Republicans' shutdown of the Bank means for U.S. companies in the Northeast and their ability to create jobs, sell their products, and compete in the global marketplace:

Maine

"Auburn Manufacturing Inc. is a woman-owned manufacturer of high-performance textiles for extreme temperature applications, such as insulation and gloves, hoods and other apparel for workers in extreme heat. Located in Mechanic Falls, ME, the company has utilized EXIM Bank to enter new markets around the world, from Mexico and China to South Korea and Malaysia. In fact, EXIM insurance has allowed the company to increase its exports, to the point that they now comprise 25-30% of its total sales. The problem? Auburn Manufacturing's insurance policy expired on September 1. Though the company is exploring options in the private sector, those options may not exist because of the markets they are exporting to and because their shipment volumes tend to be lower than what is needed to access the private market. **Furthermore, even if they can access private insurance for exports to some customers, it will hurt their relationships with customers and if any of their terms have to change, they could lose business to foreign competitors in Europe. Credit Manager Steve Merrill notes how important EXIM insurance is to their exports, saying 'you never know when something is going to happen to a shipment in transit. If you're not covered, you're in trouble.'**"

Massachusetts

"ResinTech is a 13-employee, family-run PVC materials manufacturer with its headquarters in Massachusetts and a small office in Texas. ResinTech directly competes with companies in Japan, India, South Korea and across Europe. **The company's leaders have informed EXIM that if the Bank remains lapsed, they will have to seriously consider moving operations to Canada in order to take advantage of financing from that country's export credit agency, Export Development Canada (EDC). In fact, EDC has already approached them about how easy it would be to move operations to Canada and to provide the company with the financing they need.** Vice President Carly Seidewand has noted that this effort would come at a serious cost to the small businesses she sources from in Massachusetts, Georgia, Texas and Louisiana. As for the direct impacts on ResinTech, Ms. Seidewand said: **'The alternative is to lay off employees in Massachusetts and Texas, lose or drastically reduce our export contracts, close the office in Houston and lose our competitive advantage.'**"

New Hampshire

"Labsphere is a 100-employee New Hampshire manufacturer that specializes in the design and manufacture of high-end light measurement solutions for the lighting industry, uniform sources and products for remote sensing and other photo imaging applications. **The company exports to customers in Asia and had a single-buyer insurance policy with a customer in China. The company says their EXIM policy helped them win the business and, without EXIM Bank, the company fears it will have difficulty closing new export business. The company has used letters of credit with customers in the past, but selling on open account terms is virtually necessary to expand and compete with other manufacturers who are offering them.'**"

“Goss International is a printing press and equipment manufacturer that can trace its roots back 170 years. They supply some of the most recognizable names in the newspaper and commercial printing industry around the world. With a growing customer base in emerging markets, and with a typical sale totaling in the millions of dollars, Goss has relied on EXIM Bank occasionally for medium-term financing. In fact, 65% of the company’s sales come from exports and 15% of that total is usually financed by EXIM. In addition, a lender for one of Goss's customers has utilized the Bank's Financial Institution Buyer Credit program in order to finance purchases of Goss equipment—and that policy expired in July. **Looking down the company's pipeline, three deals in Latin America amounting to nearly \$15 million were put in jeopardy when the Bank lapsed in June. All three deals were with potential new customers for Goss, and Goss faces fierce competition from German and Japanese competitors that have access to financing through their own versions of the EXIM Bank.** Goss is now at an extreme disadvantage when bidding on new transactions because, without EXIM Bank support, it cannot offer competitive financing terms to help make a sale, but its global competitors can.”

New York

“Started in Susan Axelrod's kitchen in 1973, Love & Quiches sells quiches and desserts to customers all around the world, with a focus on the Middle East and Asia. The business outgrew the kitchen, a garage, a local storefront, and its first factory, and now operates out of a state-of-the-art manufacturing facility in Nassau County, New York. **With private financing options unavailable for many of its export sales, Love & Quiches turned to EXIM insurance in 2005, reducing the company’s risk.** As is common with small business exporters, once Love & Quiches had its exports insured, the company’s bank also got comfortable enough to provide it a working capital loan, fueling growth further. **Today, exports are approaching almost 25% of the company’s total sales, supporting an additional 25 dependable jobs on Long Island. Without EXIM insurance, those jobs and that growth would be put at serious risk.**”

Pennsylvania

“Acrow Bridge designs, manufactures, and installs prefabricated modular steel bridges around the world, but has worked with the EXIM Bank on sales in Africa... Acrow faces fierce competition from companies in the UK, France, Germany and China. **Since the lapse in EXIM’s authority, Acrow’s Chinese competitors have approached the governments of Cameroon and Zambia and encouraged them to drop their already agreed-to purchase from Acrow and instead source bridges from China on the premise that the United States and EXIM Bank can’t be trusted to be there for the long term.**”

“Cardinal Resources is a manufacturer of solar-powered systems that produce clean drinking water, almost exclusively for customers in developing and even conflict-ridden countries. **Cardinal has a pending deal in Cameroon, which was in EXIM’s pipeline at the time of the lapse in the Bank’s authority. Only nine days after the lapse, their customer in Cameroon was approached by French and Chinese competitors backed by their own governments’ export credit agencies.** Cardinal’s President Kevin Jones has also been approached by Chinese financiers looking to move the procurement and manufacturing—and the associated jobs that come with them—to China.”

[All information comes from the Export-Import Bank]